

City of Detroit


CITY COUNCIL

IRVIN CORLEY, JR.
DIRECTOR
(313) 224-1076

FISCAL ANALYSIS DIVISION
Coleman A. Young Municipal Center
2 Woodward Avenue, Suite 218
Detroit, Michigan 48226
FAX: (313) 224-2783
E-Mail: irvin@cncl.ci.detroit.mi.us

ANNE MARIE LANGAN
DEPUTY DIRECTOR
(313) 224-1078

TO: Terrence King, Director
General Services Department

FROM: Irvin Corley, Jr., Fiscal Analysis Director 

DATE: April 21, 2008

RE: 2008-2009 Budget Analysis

Attached is our budget analysis regarding your department's budget for the upcoming 2008-2009 Fiscal Year.

Please be prepared to respond to the issues/questions raised in our analysis during your scheduled hearing. We would then appreciate a written response to the issues/questions at your earliest convenience subsequent to your budget hearing. Please forward a copy of your responses to the Councilmembers and the City Clerk's Office.

Please contact us if you have any questions regarding our budget analysis.

Thank you for your cooperation in this matter.

IC:ss

Attachment

cc: Councilmembers
Council Divisions
Auditor General
Norman White, Finance Director
Pamela Scales, Budget Director
Donna McAlister, Executive Budget Manager
Kerwin Wimberley, Mayor's Office

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General Services (47)

FY 2008-2009 Budget Analysis by the Fiscal Analysis Division

Summary

The General Services Department is a General Fund agency. The recommended 2008-2009 General Fund appropriation budget is \$70 million, a \$2.78 million increase over the current year's Redbook budget. The department's capital improvement appropriation is \$1.1 million, a decrease of \$3.4 million from the current year's budget.

This second-year department was created to take on overhead functions common to supporting city operations. The initial activities are Facilities and Ground Maintenance, Inventory Management and Fleet Management. It was the goal in 2006-2007 that staff and contracts from major departments would be transferred to the General Services Department, potentially saving money and freeing up these departments to focus on their vital field operations.

2007-2008 Surplus/Deficit

The Budget Department has projected a \$3.429 million deficit for General Services - \$2.87 million in appropriations and \$557,000 in revenues.

Overtime

The recommended 2008-2009 overtime budget is \$1.37 million. The current year's overtime budget is \$1.67 million. \$2.013 million has been spent on overtime through March 31, 2008. \$3.03 million was spent in 2006-2007.

Personnel and Turnover Savings

<u>Appropriation/Program</u>	<u>Redbook Positions FY 2007-08</u>	<u>Filled Positions 3/31/2008</u>	<u>Budget Positions FY 2008-09</u>	<u>Over/(Under) Actual to 07/08 Budget</u>
General Services (47):				
470005 Administration	7	6	7	(1)
470007 Administrative Support Unit	3	3	3	0
470008 Property Management	2	3	0	1
11825 Administration	12	12	10	0
470009 Property Management	0	0	2	0
470010 Facilities Management	4	4	3	0
470015 Grounds Maintenance	136	108	121	(28)
470020 Building Services	91	66	75	(25)
480030 Skilled Trades	89	78	87	(11)
470035 Security	46	43	46	(3)

470037 D-DOT Security	23	15	23	(8)
11830 Facility & Grounds Maint.	389	314	357	(75)
470040 Inventory Management	8	6	7	(2)
470050 DPW Stores	2	5	2	3
470060 Fire Apparatus Stores	4	4	2	0
470070 Recreation Stores	1	3	1	2
470080 PLD Stores	1	1	1	0
470085 Health Stores	1	1	1	0
470095 Police Stores	1	0	1	(1)
11831 Inventory Management	18	20	15	<u>2</u>
470100 Fleet Management	175	166	187	<u>(9)</u>
470200 Non Park Forrestry- Street Fund	42	48	58	<u>6</u>
470400 Freeway Berm Grass Cutting	21	2	0	<u>(19)</u>
12154 Non Park Forrestry - Street Fund	63	50	58	<u>(13)</u>
12171 Park Development Workforce	19	13	0	<u>(6)</u>
12664 GO Bonds Park Develop Work 08	0	0	16	<u>0</u>
Leave of Absence	0	(4)	0	<u>(4)</u>
Workman's Comp	0	(5)	0	<u>(5)</u>
TOTAL	<u>676</u>	<u>566</u>	<u>643</u>	<u>(110)</u>

The salary and wage accounts total \$26.7 million and divided into 620 positions that is an average salary of \$43,000. A total of 12 Auto Mechanics have been added to Fleet Management and 14 Tree Artisans have been added to the Street Fund division of Forestry.

The funding for the seasonal part-time employees has been shifted to its own cost center and the positions will no longer be budgeted as full-time positions for better control purposes.

There is no turnover savings being taken this year, although there are currently 25 vacant full-time positions.

Significant Changes in Funding

Salary and wage appropriations increase by \$1 million –

Contractual Services increase by \$3.3 million, for security and miscellaneous services.

Operating Supplies increase by \$.23 million, for fuel and auto tires.

Operating Services have some large swings in various accounts with a net decrease of \$824,000.

General Services (47)

Budgeted Professional and <u>Contractual Services by Activity</u>	FY 2007-08 <u>Budget</u>	FY 2008-09 <u>Recommended</u>	Increase <u>(Decrease)</u>
Administration	\$ 75,000	\$ -	\$ (75,000)
Facilities & Grounds Maintenance	8,238,772	\$ 9,497,501	\$ 1,258,729
Inventory Management	276,446	2,533,683	\$ 2,257,237
Fleet Management	173,400	50,000	
Capital Improvements	-	-	\$ -
Non-Park Forestry-Street Fund	-	-	\$ -
Total	<u>\$ 8,590,218</u>	<u>12,031,184</u>	<u>\$ 3,440,966</u>

Issues and Questions

1. Are there plans to add additional centralized functions to GSD?
2. Now that the second year is almost complete, have the three existing functions been consolidated? What is a good example of the difficulty in consolidation? What is a good example of the benefits of consolidating these functions?
3. What sorts of savings have been realized when negotiating contract renewals for janitorial services and security services?
4. Please explain why no turnover savings is being taken in the recommended budget?
5. If 12 Auto Mechanics are added why is the automotive supply account being zeroed out.
6. Why is the freeway berm cutting function being transferred to DPW?
7. Did the contract with Jones Lang LaSalle for rent negotiation expire June 2007? Was it renewed? Are there plans to issue a new RFP? What is happening with all the leased vacant space in Cadillac Tower now that Recreation has moved to Northwest Activities Center? Is there an updated master list of all existing leases, along with expiration dates and if it is currently being used and by which department?
8. Regarding the projected deficit – the appropriation deficit would have been greater except the department has been carrying about 25 vacancies, which made close to \$1 million available for expenditures. What makes up the appropriation deficit besides unappropriated overtime?